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UNITED STATES BANKRUPTCY COURT

DISTRICT OF OREGON

In re:

EVERGREEN VINTAGE AIRCRAFT, INC.

Debtor.

Case No. 14-36770-rld11

DEBTOR'S APPLICATION FOR
AUTHORIZATION TO EMPLOY
BANKRUPTCY COUNSEL
(MOTSCHENBACHER & BLATTNER, LLP)

Evergreen Vintage Aircraft, Inc. (the "Debtor"), as debtor in possession, hereby moves this Court for entry of an order authorizing it to employ Motschenbacher & Blattner, LLP ("M&B") as its general bankruptcy counsel in this case. In support of this application, the Debtor represents:

BACKGROUND

1. On December 11, 2014 (the "Petition Date"), the Debtor filed herein a voluntary petition under Chapter 11 of the Bankruptcy Code. The Debtor is continuing in the management and possession of its business and properties as debtor in possession under sections 1107 and 1108 of the Bankruptcy Code. As of the date hereof, no trustee or examiner has been requested or appointed in this case, and the United States trustee has not appointed an official committee of creditors.

2. The Debtor is a holding company for various assets that are leased to affiliated companies. The Debtor's primary assets include 16 vintage aircraft, and real estate and improvements in McMinnville, Oregon, including the land on which the Evergreen Aviation Museum is located. As of the date hereof, the Debtor does not have any employees, other than its corporate officers.

3. M&B commenced rendering prepetition bankruptcy services to the Debtor on December 5, 2014. The details concerning M&B's engagement as bankruptcy counsel, and the payments made to M&B in connection with that engagement, are disclosed in the accompanying Rule 2014 Statement.

JURISDICTION

4. This Court has jurisdiction over this matter pursuant to 28 USC §§ 157 and 1334 and LR 2100-1. Consideration of this application constitutes a core proceeding within the meaning of 28 USC § 157(b)(2)(A). The statutory predicates for the relief sought by this application are sections 327(a) and 1107 of the Bankruptcy Code. Venue is proper under 28 USC § 1408.

RELIEF REQUESTED

5. By this application, the Debtor seeks entry of an order, effective as of the Petition Date, authorizing it to employ M&B as its general bankruptcy counsel in this Chapter 11 case on an hourly basis. A proposed form of order is attached as Exhibit A.

POINTS AND AUTHORITIES

6. Subject to further order of this Court, and without being exhaustive, the Debtor proposes to engage M&B for purposes of (i) consulting with it concerning the administration of the case, (ii) advising it with regard to its rights, powers and duties as a

debtor in possession, (iii) investigating and, if appropriate, prosecuting on behalf of the estate claims and causes of action belonging to the estate, (iv) advising it concerning alternatives for restructuring its debts and financial affairs pursuant to a plan or, if appropriate, liquidating its assets, and (v) preparing the bankruptcy schedules, statements and lists required to be filed by the Debtor under the Bankruptcy Code and applicable procedural rules.

7. The Debtor has selected M&B for the reason that it believes the firm is well qualified to represent it in this case. M&B has substantial expertise in matters relating to bankruptcy and business reorganizations.

8. The proposed rate of compensation, subject to this Court's approval, is the customary hourly rates in effect when services are performed by the attorneys and other firm personnel who provide professional services to the Debtor. The current hourly rates for those persons presently designated to work on this case are as follows:

Name	Status	Hourly Rate
Nicholas J. Henderson	Partner	\$350.00
Alex C. Trauman	Partner	\$275.00
Troy G. Sexton	Associate	\$250.00
Jeremy Tolchin	Associate	\$250.00
Christopher Sturgeon	Legal Assistant	\$150.00

9. To the best knowledge of the Debtor, except as disclosed in the accompanying Rule 2014 Verified Statement for M&B, M&B does not have any connections with the Debtor, creditors, any other party in interest, their respective attorneys or accountants, the United States

trustee or any person employed in the office of the United States trustee, or any District of Oregon bankruptcy judge.

10. To the best knowledge of the Debtor, M&B is a disinterested person within the meaning of section 101(14) of the Bankruptcy Code and does not represent or hold any interest adverse to the interests of the estate or of any class of creditors or equity security holders.

WHEREFORE, the Debtor requests entry of an order, effective as of the Petition Date, authorizing it to employ M&B as its general bankruptcy counsel in this Chapter 11 case on an hourly basis, with compensation and reimbursement of expenses to be paid as an administrative expense in such amounts as the Court may allow under sections 330 and 331 of the Bankruptcy Code.

EVERGREEN VINTAGE AIRCRAFT, INC.

Dated: January 2, 2015

/s/ Lisa Anderson

By: Lisa Anderson

Its: President

EXHIBIT A

PROPOSED ORDER

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re:

EVERGREEN VINTAGE AIRCRAFT, INC.

Debtor.

Case No. 14-36770-rld11

ORDER AUTHORIZING EMPLOYMENT
OF MOTSCHENBACHER & BLATTNER,
LLP AS ATTORNEYS FOR DEBTOR

THIS MATTER having come before the Court for a hearing on the application of
Evergreen Vintage Aircraft, Inc., Debtor-in-Possession (“Debtor”), for an order authorizing it to
employ Motschenbacher & Blattner, LLP as attorneys for Debtor; the Court having reviewed the
motion and accompanying statement, and being otherwise duly advised; now, therefore,

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IT IS HEREBY ORDERED that the Debtor's motion is approved, and Debtor is authorized to employ the law firm of Motschenbacher & Blattner, LLP as of the Petition Date as Debtor's Chapter 11 counsel to represent Debtor in conducting the case, and is further authorized to pay said attorneys a reasonable fee for their services upon application and order of the Court.

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Order Presented by:

MOTSCHENBACHER & BLATTNER, LLP

/s/ Nicholas J. Henderson

Nicholas J. Henderson, OSB #074027

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Of Attorneys for Debtor

PARTIES TO SERVE

ECF Electronic Service:

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US Trustee, Portland USTPRegion18.PL.ECF@usdoj.gov

CAROLYN G WADE carolyn.g.wade@doj.state.or.us

Service via First-Class Mail:

- None

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re)
) Case No. _____
)
)
Debtor(s)) RULE 2014 VERIFIED STATEMENT
) FOR PROPOSED PROFESSIONAL

Note: To file an amended version of this statement per ¶19, file a fully completed amended Rule 2014 statement on LBF #1114 and clearly identify any changes from the previous filed version.

1. The applicant is not a creditor of the debtor except:
2. The applicant is not an equity security holder of the debtor.
3. The applicant is not a relative of the individual debtor.
4. The applicant is not a relative of a general partner of the debtor (whether the debtor is an individual, corporation, or partnership).
5. The applicant is not a partnership in which the debtor (as an individual, corporation, or partnership) is a general partner.
6. The applicant is not a general partner of the debtor (whether debtor is an individual, corporation, or partnership).
7. The applicant is not a corporation of which the debtor is a director, officer, or person in control.
8. The applicant is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of the debtor.
9. The applicant is not a person in control of the debtor.
10. The applicant is not a relative of a director, officer or person in control of the debtor.
11. The applicant is not the managing agent of the debtor.
12. The applicant is not and was not an investment banker for any outstanding security of the debtor; has not been, within three years before the date of the filing of the petition, an investment banker for a security of the debtor, or an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of the debtor; and is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of such an investment banker.
13. The applicant has read 11 U.S.C. §101(14) and §327, and FRBP 2014(a); and the applicant's firm has no connections with the debtor(s), creditors, any party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, or any District of Oregon Bankruptcy Judge, except as follows:

14. The applicant has no interest materially adverse to the interest of the estate or of any class of creditors or equity security holders.
15. Describe details of all payments made to you by either the debtor or a third party for any services rendered on the debtor's behalf within a year prior to filing of this case:
16. The debtor has the following affiliates (as defined by 11 U.S.C. §101(2)). Please list and explain the relationship between the debtor and the affiliate:
17. The applicant is not an affiliate of the debtor.
18. Assuming any affiliate of the debtor is the debtor for purposes of statements 4-13, the statements continue to be true except (list all circumstances under which proposed counsel or counsel's law firm has represented any affiliate during the past 18 months; any position other than legal counsel which proposed counsel holds in either the affiliate, including corporate officer, director, or employee; and any amount owed by the affiliate to proposed counsel or its law firm at the time of filing, and amounts paid within 18 months before filing):
19. The applicant hereby acknowledges that he/she has a duty during the progress of the case to keep the court informed of any change in the statement of facts which appear in this verified statement. In the event that any such changes occur, the applicant immediately shall file with the court an amended verified statement on LBF #1114, with the caption reflecting that it is an amended Rule 2014 statement and any changes clearly identified.

THE FOLLOWING QUESTIONS NEED BE ANSWERED ONLY IF AFFILIATES HAVE BEEN LISTED IN STATEMENT 16.

20. List the name of any affiliate which has ever filed bankruptcy, the filing date, and court where filed:

21. List the names of any affiliates which have guaranteed debt of the debtor or whose debt the debtor has guaranteed. Also include the amount of the guarantee, the date of the guarantee, and whether any security interest was given to secure the guarantee. Only name those guarantees now outstanding or outstanding within the last 18 months:
22. List the names of any affiliates which have a debtor-creditor relationship with the debtor. Also include the amount and date of the loan, the amount of any repayments on the loan and the security, if any. Only name those loans now outstanding or paid off within the last 18 months:
23. List any security interest in any property granted by the debtor to secure any debts of any affiliate not covered in statements 20 and 21. List any security interest in any property granted by the affiliate to secure any debts of the debtor not covered in statements 21 and 22. Also include the collateral, the date and nature of the security interest, the name of the creditor to whom it was granted, and the current balance of the underlying debt:
24. List the name of any affiliate who is potentially a "responsible party" for unpaid taxes of the debtor under 26 U.S.C. §6672:

I verify that the above statements are true to the extent of my present knowledge and belief.

Applicant

In re Evergreen Vintage Aircraft, Inc.
US Bankruptcy Court, District of Oregon, Case Number 14-36770-rld11

ATTACHMENT 1- AFFILIATES

Affiliate	Relationship
Evergreen Holdings, Inc	Parent Company (100% owner of Debtor)
The Delford M. Smith Revocable Trust	Indirect Owner
The Estate of Delford M. Smith	Indirect Owner
Ventures Holdings, Inc.	Indirect Owner
Mark C. Smith	Indirect Owner
Trust fbo Mark Christian Smith under Declaration of Trust dated March 5, 1976	Indirect Owner
Trust fbo Mark Christian Smith under Declaration of Trust dated December 23, 1976	Indirect Owner
Evergreen Aviation Ground Logistics Enterprise, Inc.	Shares common ownership with Debtor ¹
Evergreen Defense & Security Services, Inc.	Shares common ownership with Debtor ¹
Evergreen International Airlines, Inc.	Shares common ownership with Debtor ¹
Evergreen International Aviation, Inc.	Shares common ownership with Debtor ¹
Evergreen Systems Logistics, Inc.	Shares common ownership with Debtor ¹
Evergreen Trade, Inc.	Shares common ownership with Debtor ¹
Supertanker Services, Inc.	Shares common ownership with Debtor ¹

¹ Although these entities do not meet the definition of “affiliate” in 11 USC § 101(2), they are listed in an abundance of caution as they share common ownership with the Debtor, and such disclosure may aid the court and creditors. These parties are currently in active bankruptcy cases previously filed under chapter 7 of title 11 of the United States Code (such cases, the “Chapter 7 Cases”). A bankruptcy trustee has been appointed in the Chapter 7 Cases, and the Chapter 7 Cases are unrelated to the instant petition filed by Evergreen Vintage Aircraft, Inc.

In re Evergreen Vintage Aircraft Inc.
US Bankruptcy Court, District of Oregon, Case Number 14-36770-rld11

ATTACHMENT 2- AFFILIATES FILING BANKRUPTCY

Name of entity	Case number	Date filed	Jurisdiction	Relationship	Judge
Evergreen Aviation Ground Logistics Enterprise, Inc.	13-13361	12/31/2013	Delaware	*	Walrath
Evergreen Defense & Security Services, Inc.	13-13362	12/31/2013	Delaware	*	Walrath
Evergreen International Airlines, Inc.	13-13363	12/31/2013	Delaware	*	Walrath
Evergreen International Aviation, Inc.	13-13364	12/31/2013	Delaware	*	Walrath
Evergreen Systems Logistics, Inc.	13-13365	12/31/2013	Delaware	*	Walrath
Evergreen Trade, Inc.	13-13366	12/31/2013	Delaware	*	Walrath
Supertanker Services, Inc.	13-13367	12/31/2013	Delaware	*	Walrath

* Although these entities do not meet the definition of “affiliate” in 11 USC § 101(2), they are listed in an abundance of caution as they share common ownership with the Debtor, and such disclosure may aid the court and creditors.

In re Evergreen Vintage Aircraft, Inc.
US Bankruptcy Court, District of Oregon, Case Number 14-36770-rld11

ATTACHMENT 3- GUARANTOR AFFILIATES

Affiliate	Guarantee Details	Relationship
The Delford Smith Revocable Trust	Forbearance and Settlement Agreement and Amendment to Loan Documents dated March 5, 2013, as further amended. Approximate balance due as of petition date: \$12,037,717 No security given to secure guaranty.	Affiliate: Indirect Owner of Debtor
The Estate of Delford Smith	Same as above	Affiliate: Indirect Owner of Debtor
Evergreen International Airlines, Inc.	Debtor guaranteed debt of Evergreen International Airlines, Inc., pursuant to Blanket Payment and Performance Guaranty dated July 20, 2012, for the Benefit of World Fuel Services, Inc. Approximate balance due as of petition date: \$9,100,000. Guaranty secured by Aircraft Chattel Mortgage and Security Agreement, dated July 27, 2012, under which the Debtor granted a security interest in the following collateral: <ul style="list-style-type: none">• De Havilland Model DH4M1 (N3258) Additional security interest was granted by the Debtor on or about July 1, 2013, in the following collateral: <ul style="list-style-type: none">• Douglas A-26B Invader (N74833)	Shares common ownership with Debtor ¹

¹ Although this entity does not meet the definition of “affiliate” in 11 USC § 101(2), it is listed in an abundance of caution as it shares common ownership with the Debtor, and such disclosure may aid the court and creditors

In re Evergreen Vintage Aircraft, Inc.
US Bankruptcy Court, District of Oregon, Case Number 14-36770-rld11

ATTACHMENT 4- DEBTOR/CREDITOR AFFILIATES

Affiliate	Loan Details	Relationship
Evergreen Holdings, Inc.	Multiple loans, beginning in 2005. After applying all payments and offsets, the Debtor believes the amount owed to Evergreen Holdings, Inc. is approximately \$52,023,424.84. No security interest given to secure debt.	Parent Company (100% owner of Debtor)
The Estate of Delford M. Smith	Multiple loans and advances, beginning September, 2005, through December, 2014, including accrued interest. After applying all credits and offsets, the Debtor believes the amount owed to the Estate of Delford M. Smith is approximately \$74,933,041. No security interest given to secure debt.	Affiliate: Indirect Owner
Evergreen International Aviation, Inc.	Multiple loans and advances, beginning in 2005. After applying all credits and offsets, the Debtor believes the amount owed to Evergreen International Aviation, Inc. is approximately \$4,955,786.30. No security interest given to secure debt.	Shares common ownership with Debtor ¹

¹ Although this entity does not meet the definition of “affiliate” in 11 USC § 101(2), it is listed in an abundance of caution as it shares common ownership with the Debtor, and such disclosure may aid the court and creditors

In re Evergreen Vintage Aircraft, Inc.
US Bankruptcy Court, District of Oregon, Case Number 14-36770-rld11

ATTACHMENT 5- SECURITY INTEREST AFFILIATES

Debtor granted a security interest in it collateral below to secure a Third Amendment to Forbearance Agreement and Settlement Agreement and Amendment to Loan Documents dated July 16, 2014 (the “Forbearance Agreement”). The Forbearance Agreement was entered into between the Debtor, Umpqua Bank, and the affiliates listed below.

Collateral:

1. 1945 Boeing B-17G Flying Fortress, Reg. No. N207EV;
2. P-38L-5, Reg. No. N505MH;
3. BF-109G-10/U4, Reg. No. N109EV;
4. North American T-28B Trojan, Reg. No. N28EV, Serial No. 138334;
5. Pitts Aerobatics S-2B, Reg. No. N5352E, Serial No. 5105;
6. Vickers Supermarine Spitfire Mark XVI, Reg. No. N356TE, Serial No. TE356;
7. Piper J3L-65 “Cub, FAA Reg. No. N46471”, Serial No. G31;
8. North American SNJ-4FAA Reg. No. N33CC, Serial No. 88-13466;
9. Boeing E75 Stearman, FAA Reg. No. N450UR, Serial No. 75-5300;
10. Curtiss Wright “Air Sedan”, FAA Reg. No. N12314, Serial No. 15-D-2214;
11. Hughes 269A, FAA Reg. No. N79P, Serial No. 38-002;
12. Curtis Jenny, Non-flying replica;
13. Hiller UH-12E Serial No. 2049, FAA Reg. No. N5363V;
14. Curtis P40 Kittyhawk “Warhawk,” Serial No. R293, FAA Reg. No. N293FR;
15. Curtis Wright A-22 Falcon, FAA Reg. No. N500G, Serial No. A22-1.

Affiliates:

Venture Acquisition Company, LLC¹

Ventures Holdings, Inc.¹

¹ These entities do not meet the definition of “affiliate” in 11 USC § 101(2), but are listed here because they share common ownership with the debtor and disclosure may aid the court and creditors.